

Revised to include HHS comments.

**FISCAL NOTE**  
**LEGISLATIVE FISCAL ANALYST ESTIMATE**

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES</b> (See narrative for political subdivision estimates)				
	<b>FY 2013-14</b>		<b>FY 2014-15</b>	
	<b>EXPENDITURES</b>	<b>REVENUE</b>	<b>EXPENDITURES</b>	<b>REVENUE</b>
GENERAL FUNDS	See Below		See Below	
CASH FUNDS				
FEDERAL FUNDS	See Below		See Below	
OTHER FUNDS				
TOTAL FUNDS				

**Any Fiscal Notes received from state agencies and political subdivisions are attached following the Legislative Fiscal Analyst Estimate.**

LB 556 requires the provision of telehealth medical and behavioral health services for children in public schools. The Department of Health and Human Services (HHS) and the State Department of Education (NDE) are to collaborate on rules and regulations. Telehealth services received by a child at a public school are eligible for medical assistance coverage (Medicaid) as are transmission and related services for telehealth services. The language in current law regarding the early and periodic screening and diagnostic treatment program is expanded to include behavioral health screening, diagnosis and treatment services.

Each behavioral health region is to establish a development team to expand access to children’s behavioral health services. The teams are to be advisory to HHS and NDE, provide education and training for educators on children’s behavioral health, and identify strategies to include families in behavioral health interventions for children.

The bill changes current law to require an additional physical for children prior to entering the ninth grade. The physical shall include a behavioral health screening. It also expands current law to provide that the physicals currently required prior to the beginner grade and seventh grade include a behavioral health screening. HHS is to provide training to health care professionals on providing child behavioral health screenings.

HHS Expenditures: The following activities required by the bill will increase expenditures of HHS as follows:

Behavioral Health Services: HHS will have increased expenditures of an unknown amount to pay for telehealth medical and behavioral health services provided to children in public schools. The cost of telehealth services in school districts is dependent upon the number of youth served, the providers utilized, rates charged by providers and telehealth transmission costs. HHS indicates there are currently 13 school-based health centers in the state. The bill appears to require telehealth service capability in all public schools, not just the school-based health centers.

If a substantial number of youth are provided telehealth behavioral health services pursuant to the bill, the cost to provide services could be significant. However, the use of telehealth services may to some degree offset current costs incurred to provide behavioral health services to these youth.

It is assumed the department will have increased expenditures to expand community-based services provided by regional behavioral health authorities to provide support in the public schools. At a minimum, HHS indicates the behavioral health referrals from physicals for children entering the 9<sup>th</sup> grade will increase the cost of services for the Medicaid and CHIP programs by \$146,610 (\$61,961 G, \$84,649 F) in FY14 and \$154,712 (\$65,762 G, \$88,950 F) in FY15. The behavioral health regions may also incur minimal expenses to establish implementation and development teams.

HHS projects the need for 2.0 FTE in the Behavioral Health Division to provide oversight of the regions activities in this bill. This fiscal note assumed the addition of 1.0 Program Specialist at a cost of \$87,770 of (\$43,885 G, \$43,885 F) in FY14 and FY15.

Physicals: The bill requires an additional physical for children prior to entering the 9<sup>th</sup> grade. The physical is to include a behavioral health screening. HHS indicates that 12% of children who are age 14 were screened through the EPSDT program in FY12. The screening included a mental health screening. Assuming the additional 88% would need to be screened pursuant to the bill, additional expenditures in the Medicaid and CHIP programs for physicals 9<sup>th</sup> graders who are Medicaid or CHIP eligible are estimated to total \$1,348,650 (\$569,985 G, \$778,665 F) in FY14 and \$1,414,082 (\$601,083 G, \$812,999 F) in FY15. Expenditures for physicals for 9<sup>th</sup> graders who are not Medicaid or CHIP eligible will be borne by the parent or guardian of the child.

Transmission Costs: Transmission costs are to be reimbursed by HHS pursuant to the bill. It is assumed that increased transmission costs will be at least equal to current costs, so expenditures will increase by \$2,969 (\$1,336 G, \$1,633 F) in FY14 and \$3,036 (\$1,374 G, \$1,662 F) in FY15.

Training: HHS will also have an unknown amount of increased costs to train health care professionals to provide child behavioral health screenings in school physicals.

NDE Expenditures: NDE estimates a minimal cost to develop rules and regulations pursuant to the bill. It is assumed the department can handle this activity with existing staff and resources.

School Districts: The bill seems to require telehealth service capability in all public schools, not just districts with school-based health centers. However, there is no language in the bill addressing the cost and financial source for establishing telehealth technology in schools. The cost for districts to provide this capability is unknown.

The bill requires a school nurse, counselor or other person familiar with a child's treatment plan to be present with a child at the public school site where telehealth services are delivered. The workload for school district personnel involved in the delivery of telehealth services will increase. It is unknown whether the workload increase to implement the bill will be such that an increase in school district staff will be necessary to facilitate the delivery of telehealth services.

Summary: In summary, at a minimum the bill will increase HHS expenditures by an estimated \$1,585,999 (\$677,167 G, \$908,832 F) in FY14 and \$1,659,600 (\$712,104 G, \$947,496 F) in FY 15. It is unknown if there will be additional costs for behavioral health regions to provide telehealth services in school districts and what amount of current costs will be offset by providing services via telehealth in school settings. There will also be an unknown increase in expenditures by HHS to train health care professionals to provide behavioral health screenings. School districts will also have unknown expenditures to provide the capability for telehealth services in each district.

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES		
LB: 556	AM:	AGENCY/POLT. SUB: Department of Education
REVIEWED BY: Elton Larson	DATE: 1/30/13	PHONE: 471-4173
COMMENTS: Negligible fiscal impact.		

Please complete ALL (5) blanks in the first three lines.

**2013**

**LB<sup>(1)</sup> 556 FISCAL NOTE**

State Agency OR Political Subdivision Name: (2) Nebraska Department of Education

Prepared by: (3) Julane Hill Date Prepared: (4) 1-28-13 Phone: (5) 402-471-4352

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

	<u>FY 2013-2014</u>		<u>FY 2014-2015</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	<u>\$650</u>	<u>0</u>	<u>0</u>	<u>0</u>
CASH FUNDS	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FEDERAL FUNDS	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
OTHER FUNDS	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>TOTAL FUNDS</b>	<u><b>\$650</b></u>	<u><b>0</b></u>	<u><b>0</b></u>	<u><b>0</b></u>

Return by date specified or 72 hours prior to public hearing, whichever is earlier.

Explanation of Estimate:

Fiscal Impact on NDE: NDE is charged with adopting and promulgating rules and regulations to carry out this bill.

**MAJOR OBJECTS OF EXPENDITURE**

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2013-2014</u>	<u>2014-2015</u>
	<u>13-14</u>	<u>14-15</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
			<u>0</u>	<u>0</u>
			<u>0</u>	<u>0</u>
Benefits.....			<u>0</u>	<u>0</u>
Operating.....			<u>\$650</u>	<u>0</u>
Travel.....			<u>0</u>	<u>0</u>
Capital outlay.....			<u>0</u>	<u>0</u>
Aid.....			<u>0</u>	<u>0</u>
Capital improvements.....			<u>0</u>	<u>0</u>
<b>TOTAL.....</b>			<u><b>\$650</b></u>	<u><b>0</b></u>

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

State Agency or Political Subdivision Name:(2) Department of Health and Human Services

Prepared by: (3) Willard Bouwens

Date Prepared:(4) 1-25-13

Phone: (5) 471-8072

	<b>FY 2013-2014</b>		<b>FY 2014-2015</b>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
<b>GENERAL FUNDS</b>	\$723,125		\$755,990	
<b>CASH FUNDS</b>				
<b>FEDERAL FUNDS</b>	\$950,646		\$991,382	
<b>OTHER FUNDS</b>				
<b>TOTAL FUNDS</b>	<b>\$1,673,771*</b>		<b>\$1,747,372*</b>	

Return by date specified or 72 hours prior to public hearing, whichever is earlier.

**Explanation of Estimate:**

LB 556 is to provide telehealth medical and behavioral health services under the medical assistance program to children in public schools, and to require behavioral health screenings as part of childhood physicals for students at levels of beginner, 6th grade, 9th grade, and transfer students at any level. The intent specified is to expand community-based services provided by the Regional Behavioral Health Authority (RBHA) so that they may provide support in the local school, and to authorize each RBHA to establish an implementation and development team to aid in implementation of telehealth for children’s services.

LB 556 provides that telehealth services for children be provided through school-based health centers; provides for implementation and development teams; provides for behavioral health screenings as prescribed; and changes provisions relating to the medical assistance program. The bill also adds coverage of physical exams for 9th graders.

LB 1106 (2010) established Medicaid coverage of school-based health services to include medical health, behavioral and mental health, preventative health, and oral health. Current statutory requirements state that to ensure that the interests of the school district, community, and health care provider are reflected within the policies, procedures, and scope of services of school-based health centers, each school district shall establish a School Health Center Advisory Council for each school in the district hosting a school-based health center. If another institution or organization sponsors the school-based health center, at least one representative of each sponsoring institution or organization shall be included on the School Health Center Advisory Council. It is not clear if the intent of the bill would be to add behavioral health regions as sponsors of school-based health centers or if they would act independently.

With coverage of telehealth services in schools, the number of school-based health centers may increase. As a result of LB1106, there are currently thirteen school-based health centers, 5 of which are enrolled as behavioral health providers, and all of which are located in the Omaha area. Because some of the providers have recently enrolled, only 4 providers had paid claims in FY12. Those claims totaled \$14,653, which was \$53 per child served.

While the bill outlines the services and technology that Medicaid should reimburse, there is no language which addresses the cost and financial source for establishing telehealth technology in schools. Additionally, the bill requires Medicaid to reimburse for all means of transmission. This could potentially result in additional expenditures to cover transmission costs beyond those that are currently covered. If the additional transmission costs were equal to current DHHS expenditures for Telehealth transmission costs, the additional expenditures are estimated at \$2,969 (\$1,336 GF, \$1,633 FF) for FY14, and \$3,036 (\$1,374 GF, \$1,662 FF) for FY15.

The bill states that school personnel need not have medical training. However, the bill stipulates that the team created by the bill must provide training for educators on children's behavioral health. Training is not a covered service by Medicaid for health care professionals or other professionals such as school staff in educational settings.

Behavioral health consultations are not defined in the bill. The bill requires that DHHS, in collaboration with the State Department of Education, promulgate rules and regulations to provide a means for school personnel, physicians, and behavioral health professionals to communicate with each other. Consultation between health care providers or between a health care provider and school personnel, without the presence of the patient and/or family member, is not a coverable service.

The bill stipulates that child behavioral health screenings would be considered preventative services for coverage. The bill does not define a childhood behavioral health screening. It is not clear if all children covered by Medicaid would receive this screening or if there would be risk factors to identify who would need screening. Under EPSDT, mental health screening is a component of a comprehensive exam.

This fiscal note assumes that 14-year-old children would approximate the 9th grade population for whom physicals will be required. 12% of 14-year-old children received EPSDT screenings in FY12. For the remaining 88%, additional Medicaid (Program 348) expenditures for physicals are estimated at \$1,075,257 (\$483,866 GF, \$591,391 FF) for FY14, and \$1,127,401 (\$510,262 GF, \$617,139 FF) for FY15. Additional CHIP (Program 344) expenditures are estimated at \$273,393 (\$86,119 GF, \$187,274 FF) for FY14, and \$286,681 (\$90,821 GF, \$195,860 FF) for FY15.

The additional physicals will result in additional physical and behavioral health referrals, which are already covered by Medicaid. Based on FY12 data for 14-year-old children's referrals from EPSDT screenings, additional Medicaid (Program 348) expenditures for referrals are estimated at \$116,883 (\$52,597 GF, \$64,286 FF) for FY14, and \$123,338 (\$55,823 GF, \$67,515 FF) for FY15. Additional CHIP (Program 344) expenditures are estimated at \$29,727 (\$9,364 GF, \$20,363 FF) for FY14, and \$31,374 (\$9,939 GF, \$21,435 FF) for FY15.

The Division of Public Health (Program 179) would have the costs associated with revising 175 NAC 7, at 40 hours for a Health Program Manager II, estimated at \$2,072 GF, -\$2,072 FF for FY14. This would not require additional staff, but would require staff time to be charged to General Funds rather than Federal Funds.

\*It is assumed that the Division of Behavioral Health is required to provide oversight of the Regions' activities in this bill. Two additional Program Specialists will be required. These positions would be necessary to oversee the expanded work in schools by the Behavioral Health Regions. Program 033 expenditures are estimated at \$175,542 (\$87,771 GF, \$87,771 FF) for FY14, and \$175,542 (\$87,771 GF, \$87,771 FF) for FY15. It is unclear what funding source would be used for the Regions to provide the additional services. DBH expenditures for services may increase, but we are unable to determine the amount based on the bill's language.

For questions regarding the content of this note, contact Heidi Burklund (MLTC) at 471-9101 or Elmer Meiler (PH/BH) at 471-0128.

**MAJOR OBJECTS OF EXPENDITURE**

**PERSONAL SERVICES:**

POSITION TITLE	NUMBER OF POSITIONS		2013-2014	2014-2015
	13-14	14-15	EXPENDITURES	EXPENDITURES
Program Specialist	2.00	2.00	\$84,722	\$84,722

Benefits.....	\$33,888	\$33,888
Operating.....	\$56,932	\$56,932
Travel.....		
Capital Outlay.....		
Aid.....	\$1,498,229*	\$1,571,830*
Capital Improvements.....		
<b>TOTAL.....</b>	<b>\$1,673,771*</b>	<b>\$1,747,372*</b>

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